(SPECIFY AIR OR SEA POUCH)

SECRET

CLASSIFICATION

TO : Chief, EE

DATE: 16 November 1956

FROM : Chief of Base, Berlin

Info: COS

SUBJECT: GENERAL - Operational - BEDOX/

T/BECRIPPLE

SPECIFIC Surfacing of Kurt SCHALWIG by MfS

Reference: EGBA-35325, 13 September 1956

1. Introduction: As reported in reference, the wife of Kurt SCHALWIG came to West Berlin on 25 August 1956 and was met by During this meeting the wife asked what sort of resettlement offer we could make her and her husband and told her we would give them DHW 1,000.00 plus assistance in refugee processing. We did not offer them assistance in finding employment because we did not think they deserved such assistance. Even so, the wife said she thought her husband would decide to come to the West since his future with the DSU looked dark. We expected them to arrive during the first part of September, but after they did not come we concluded they had decided to remain in the DDR for various personal reasons. We did not think that the wife had been sent out by the MfS merely to provoke us into revealing our resettlement offer, and we thus tended to believe her when she denied being under MfS control during the 25 August meeting.

2. Article in Neues Deutschland: The following article appeared in the 13 November 1956 edition of the East Berlin newspaper "Neues Deutschland":

"Sailors Misused for Espionage - Former American Agent Reports"

Dahlem, Clayallee, to collect espionage information on the ports of Stettin and Swinemuende. The Agent Center was especially interested in new harbor facilities, like cranes and construction sites. In addition, they demanded military information, for example, on the status of casernes, warships, and defense installations. I also had to set up dead drops in Stettin which were later to receive espionage instructions aimed against the people's republic of Poland. Kurt SCHALWIG, crew member of a DSU Magdeburg vessel, reported the above

APPROVED:

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2 - COS

CCT:tlm

SECRET

FORM NO. 51-28 A

CLASSIFICATION

60-6-4-456 (Core)

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SOURCES METHODS EXEMPTION 3 B 2 B NAZIWAR CRIMES DISCLOSURE ACT

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"yesterday evening to a conference of 200 DSU sailors gathered in the Research Institute for Navigation in Alt-Stralau. Kurt SCHALWIG and his wife gave themselves up to organs of the State Security a time ago since he did not desire to continue helping the Imperialists reach their war aims.

"Likewise the DSU sailor Kurt FISCHER had the mission to collect maps of the Oder in which depth and other details were contained. Special interest was shown in the ships register. 'I was to note down the numbers of the barges which regularly travelled to Poland and in addition collect, information on the general strength of the DDR fleet,' reported FISCHER. 'I then had to deliver this information to a certain REINFELD (BECRIPPLE-2), a contact man of the USA Intelligence Service in West Berlin.'"

- 3. Comments: We still cannot say with certainty that the wife of SCHALWIG was sent to us by the MfS during her last visit. It could be that SCHALWIG at the time knew that he would have to appear publicly for the MfS in the DDR and thus sent the wife to see what we had to offer. We have always known that SCHALWIG is attached to his mother and that his mother would not leave the DDR. SCHALWIG thus may have tried to play both ends against the middle and might have decided to cooperate fully with the MfS only after we' refused to assure him a job in West Germany. We have always thought that the MfS had nothing to gain by letting SCHALWIG and wife tell us of their doubling by the MfS. However, we do think SCHALWIG is now completely in the good graces of the MfS or he would not chance our trying to burn him with the MfS after the above "surfacing". They thus now know our resettlement offer to SCHALWIG but this information should not greatly aid them. They also again have tied in [physical description with BECRIPPLE-2's operations: this tie-in was already known to them.
- 4. We are at a loss to explain the statement above made by one "Kurt FISCHER", since we have never dealt with anyone by this name. We have dealt with two individuals with this family name, but the last we heard they both were in West Germany. The only answer possible is either that the "Neues Deutschland" printed build up material provided by the MfS, or that one or both of the FISCHERs with whom we dealt have returned to the DDR and are redeeming themselves with the MfS. We cannot comment on this point further at this time.
- 5. The above article does not change the security status of BECRIPPIE-2 since we assumed the MfS had this particular information anyway. We have changed the above mentioned cover name and we have in the meantime dropped the BEKING-13 telephone cutout through which SCHALWIG reported into BECRIPPIE-2. We are relieved that the MfS did not publish BECRIPPIE-2's true name since if they had by now connected BECRIPPIE-2's physical description with his true name, we think they would have published it to embarrass us. We are preparing an answer to EGBW-4551 in which we will go into BECRIPPIE-2's current security status in detail.

DECHET

60-6-4-456 (Encl